

Item 1: Cover Page



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This brochure provides information about the qualifications and business practices of Robinson Smith Wealth Advisors, LLC (hereinafter "RSWA" or the "Firm"). If you have any questions about the contents of this brochure, please contact Tracey M. Daigle at (207) 874-9840. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about RSWA is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2. Material Changes

In this Item, RSWA is required to discuss any material changes that have occurred since RSWA's last annual update on January 31, 2019. In April 2019, RSWA added Tracey Daigle as a partner to the Firm. During 2019, RSWA also began shifting from investing client funds in individual bonds and is now utilizing more target date bond ETFs. In February 2020, RSWA's Investment Committee voted to discontinue the use of Schwab Intelligent Portfolios. While there are no other material changes to disclose, there may be other non-material changes, so we urge you to read the entire brochure.

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Item 4. Advisory Business

RSWA is an independent fee-only financial planning and investment management firm, serving individuals and families across the nation. The Firm, and its predecessor entities, have been registered as an investment adviser since January 1995. David P. Robinson and David M. Smith are RSWA's principal owners. The Firm offers investment management services and, to the extent specifically requested by the client, financial planning, consulting services, and advisor selection services. RSWA partners with clients to create, monitor and adjust a financial plan and investment strategy designed to achieve retirement and other financial life goals.

Prior to engaging RSWA to provide any of the foregoing investment advisory services, the client is required to enter into one or more written agreements with RSWA setting forth the terms and conditions under which RSWA renders its services (collectively the "*Agreement*"). As of December 31, 2019, RSWA had approximately \$301,150,000 in assets under management, \$268,120,055 of which was managed on a discretionary basis and \$33,029,796 of which is managed on a non-discretionary basis.

Investment Management Services

Clients can engage the Firm to manage all or a portion of their assets on a discretionary or non-discretionary basis. When specifically requested by the client, the Firm may include financial planning and consulting services (as described below) as part of the Firm's overall suite of investment management services. In the event that the client requires extraordinary planning and/or consultation services (to be determined in the sole discretion of the Firm), the Firm may charge for such additional services as agreed upon with the client.

RSWA primarily allocates clients' investment management assets among money market funds, mutual funds, exchange-traded funds ("ETFs"), target date exchange-traded funds, closed-end funds, individual fixed income securities, stocks, options and structured notes. RSWA also works with a number of clients interested in investing based on environmental, social, and governance criteria ("ESG"). The Firm may also recommend that clients authorize the active management of a portion of their assets by and/or among certain independent investment managers ("Independent Managers") in accordance with the client's investment objective. In addition, the Firm may recommend exchange funds to certain clients with concentrated stock positions or with target dates in mind to achieve a financial goal. RSWA also provides advice about any type of investment held in clients' portfolios. When implementing investment advice, the Firm employs various investment strategies, including long term purchases (securities held at least one year) and short-term purchases (securities sold within one year).

The Firm consults with clients initially and on an ongoing basis to determine risk tolerance, time horizon and other factors that impact the clients' investment needs. RSWA ensures that clients' investments are suitable for their investment needs, goals, objectives and risk tolerance.

Clients are advised to promptly notify RSWA if there are changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon RSWA's management services. Clients may impose reasonable restrictions or mandates on the management of their account (e.g., require that a portion of their assets be invested in socially responsible funds) if, in RSWA's sole discretion, the conditions will not materially impact the performance of a portfolio strategy or prove overly burdensome to its management efforts.

Financial Planning and Consulting Services

RSWA provides clients with a broad range of financial planning and consulting services. Through initial meetings and discussions, the Firm seeks to create a comprehensive and holistic financial plan tailored to meet the client's needs, including, but not limited to, investments, budgeting, education funding, cash flow

analysis, insurance, retirement and estate planning. These services may be included as part of the Firm's investment management services or on a standalone separate fee basis.

For financial planning services and non-discretionary financial management services, RSWA may recommend the services of itself, and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if RSWA recommends its own services. The client is under no obligation to act upon any of the recommendations made by RSWA under a financial planning or consulting engagement or to engage the services of any such recommended professional, including RSWA itself. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any of RSWA's recommendations. Clients are advised that it remains their responsibility to promptly notify RSWA if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising RSWA's previous recommendations and/or services.

Use of Independent Managers

As mentioned above, RSWA may recommend that certain clients authorize the active management of a portion of their assets by and/or among *Independent Managers*, based upon the stated investment objectives of the client. The terms and conditions under which the client engages the *Independent Managers* are set forth in a separate written agreement between RSWA or the client and the designated *Independent Managers*. When utilized, RSWA may render services to the client relative to the discretionary selection of *Independent Managers*. In certain circumstances, the Firm may recommend an *Independent Manager* on a non-discretionary basis. RSWA monitors and reviews the account performance and the client's investment objectives, including assets being managed by an independent manager recommended by RSWA.

When selecting or recommending an *Independent Manager* for a client, RSWA reviews information about the *Independent Manager* such as its disclosure brochure and/or material supplied by the *Independent Manager* or independent third parties for a description of the *Independent Manager's* investment strategies, past performance and risk results to the extent available. Factors that RSWA considers in selecting or recommending an *Independent Manager* include the client's stated investment objectives, management style, performance, reputation, financial strength, reporting, pricing, and research. The investment management fees charged by the designated *Independent Managers*, together with the fees charged by the corresponding designated broker-dealer/custodian of the client's assets, are exclusive of, and in addition to, RSWA's investment advisory fee set forth below.

In addition to RSWA's written disclosure brochure, the client also receives the written disclosure brochure of the designated Independent Managers. Certain Independent Managers impose more restrictive account requirements and varying billing practices than RSWA. In such instances, RSWA may alter its corresponding account requirements and/or billing practices to accommodate those of the Independent Managers.

Item 5. Fees and Compensation

RSWA offers its services on a fee-only basis, which include fixed and/or hourly, as well as fees based upon assets under management. Fee-only advisers do not accept income from third parties. Our only source of income is the fees we charge clients.

Financial Planning and Consulting Fees

RSWA charges a fixed fee and/or hourly fee for financial planning and consulting services. These fees are negotiable, but generally range from \$2,400 to \$50,000 on an annual fixed fee basis and up to \$250 on an

hourly basis, depending on the level and scope of the service(s) required and the professional(s) rendering the service(s). If the client engages RSWA for additional investment management services, RSWA may offset all or a portion of its fees for those services based upon the amount paid for the financial planning and/or consulting services.

Prior to engaging RSWA to provide financial planning and/or consulting services, the client is required to enter into a written agreement with RSWA setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to the commencement of services. If requested by the client, the Firm may recommend the services of other professionals for implementation purposes, including the accounting services of the David P. Robinson's spouse.

Investment Management Fee

RSWA provides investment management services for an annual fee that is prorated and charged quarterly, in arrears. In general, the investment management fee is based upon a percentage of the market value of the assets being managed by RSWA on the last day of the previous quarter, as follows:

PORTFOLIO VALUES	ANNUAL FEE
Up to \$1,000,000.00	1.00%
\$1,000,000.01 - \$2,000,000.00	0.80%
\$2,000,000.01 - \$5,000,000.00	0.60%
Above \$5,000,000.01	0.40%

On a more limited basis, the Firm provides investment management services for an annual fixed fee that ranges between \$5,000 and \$50,000. RSWA, in its sole discretion, may negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client relationship, account retention and *pro bono* activities.

The Firm's investment management fee may include, to the extent specifically requested by the client, financial planning and consulting services. In the event that the client requires extraordinary planning and/or consultation services (to be determined in the sole discretion of the Firm), the Firm may determine to charge for such additional services, the dollar amount of which shall be set forth in a separate written notice to the client. These additional services may be charged an hourly rate or a flat fee, depending on the type and extent of additional services to be provided.

Additional Fees and Expenses

In addition to the advisory fees paid to RSWA, clients may also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively "*Financial Institutions*"). These additional charges may include securities brokerage commissions, transaction fees, custodial fees, fees charged by the *Independent Managers*, charges imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Clients using independent managers will also have fees from the independent manager. RSWA does not, however, receive any portion of these commissions, fees, and costs.

Fee Debit

Clients may grant RSWA the authority to directly debit their accounts for payment of the Firm's investment advisory fees or may elect to be billed and pay via a check. The *Financial Institutions* that act as qualified custodian for client accounts have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to RSWA.

Fees for Management During Partial Quarters of Service

For the initial period of investment management services, the fees are calculated on a pro rata basis. The Agreement between RSWA and the client will continue in effect until terminated by either party pursuant to the terms of the Agreement. RSWA's fees are prorated through the date of termination and any remaining balance is charged or refunded to the client, as appropriate. Upon termination, the Firm will debit the account for the pro-rated portion of the unpaid advisory fee based upon the number of the days that service was provided during the billing period.

Clients may make additions to and withdrawals from their account at any time, subject to RSWA's right to terminate an account. Additions may be in cash or securities provided that RSWA reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Clients may withdraw account assets on notice to RSWA, subject to the usual and customary securities settlement procedures. However, RSWA designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. RSWA may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

If assets are deposited into or withdrawn from an account after the inception of a quarter, the fee payable with respect to such assets will be prorated based on the number of days remaining in the quarter.

Item 6. Performance-Based Fees and Side-by-Side Management

RSWA does not provide any services for performance-based fees. Performance-based fees are those based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7. Types of Clients

RSWA provides its services to individuals, business entities, trusts, estates and charitable organizations.

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

Investment Strategies and Methods of Analysis

RSWA offers investment management services on a discretionary and non-discretionary basis and, to the extent specifically requested by the client, financial planning and consulting services. RSWA partners with clients to create, monitor and adjust a financial plan and investment strategy designed to achieve retirement and other financial life goals.

RSWA primarily allocates clients' investment management assets among money market funds, mutual funds, exchange-traded funds ("ETFs"), target date exchange-traded funds, closed-end funds, individual

fixed income securities, stocks, options and structured notes. RSWA also works with a number of clients interested in investing based on environmental, social, and governance criteria (“ESG”). The Firm may also recommend that clients authorize the active management of a portion of their assets by and/or among certain independent investment managers (“Independent Managers”) in accordance with the client’s investment objective. In addition, the Firm may recommend exchange funds to certain clients with concentrated stock positions or with target dates in mind to achieve a financial goal. RSWA also provides advice about any type of investment held in clients’ portfolios. When implementing investment advice, the Firm employs various investment strategies, including long term purchases (securities held at least one year) and short-term purchases (securities sold within one year). When evaluating these types of securities and allocations, the Firm considers many factors, including past performance, expenses, holdings, disclosed strategies and manager history.

RSWA employs various investment strategies, including long term purchases (securities held at least one year) and short-term purchases (securities sold within one year). However, the Firm does not utilize a strategy of purchasing securities with the objective of making a profit based on short term market fluctuations.

An exchange fund may be utilized in certain client accounts. An exchange fund is an investment vehicle that provides investors with concentrated stock positions the ability to diversify their stock holdings for fund interests. Investment in an exchange fund is suitable only for sophisticated investors for whom an investment does not constitute a complete investment program and who fully understand, and assume, the risks involved in investing in the fund. When evaluating exchange funds, the Firm considers factors including, but not limited to, investment strategy, past performance, expenses, holding period, how the investment will fit in a client’s overall portfolio, and asset management firm experience.

The Firm primarily utilizes fundamental methods of analysis to evaluate investments. *Fundamental analysis* involves reviewing the fundamental financial condition and competitive position of a company. RSWA will analyze the financial condition, capabilities of management, earnings, new products and services, as well as the company’s markets and position amongst its competitors in order to determine the recommendations made to clients. The primary risk in using fundamental analysis is that while the overall health and position of a company may be good, market conditions may negatively impact the security.

In addition to fundamental analysis, RSWA also utilizes evidence-based investing. Evidence-based investing (“EBI”) is the practice of making diversified investment decisions based on academic and market research. Patterned from the observations of Nobel Prize winning economists, the methodology is rigorous and practical.

RSWA also utilizes Environmental, Social, and Governance criteria (“ESG”) to analyze investments. Environmental criteria consider how a company performs as a steward of nature. Social criteria examine how it manages relationships with employees, suppliers, customers, and the communities where it operates. Governance deals with a company’s leadership, executive pay, audits, internal controls, and shareholder rights. Several mutual funds and ETFs provide ESG friendly investment products.

Risks of Loss

General Risk of Loss

Investing in securities involves the risk of loss, including the potential loss of principal. Clients should be prepared to bear such loss.

Market Risks

The profitability of a portion of the Firm’s recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that the Firm or the software utilized will be able to predict those price movements accurately.

Mutual Funds and ETFs

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed-based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 50,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

RSWA invests some clients' assets in ESG ETFs and mutual funds. While companies that meet ESG criteria are generally believed to be more ethical and have high environmental standards, the trade-off is that these companies may have lower profits anticipated in the short term with the potential for better profits over the life of the company due to the ethical choices, however, there is a risk that even companies believed to have meet ESG criteria could be subject to events that would reduce their income and reputation and open the company up to lawsuits and regulatory inquiries. Note all companies considered ESG companies meet ESG criteria in all areas. In addition, there is a risk that a company is accidentally included with ESG companies in ETF and mutual fund investments, but they do not actually meet the ESG criteria.

Options

Options allow investors to buy or sell a security at a contracted strike price (not necessarily the current market price) at or within a specific period of time. Options transactions contain a number of inherent risks, including the partial or total loss of principal in the event that the value of the underlying security or index does not increase or decrease to the level of the respective strike price. Holders of options contracts are also subject to default by the option writer which may be unwilling or unable to perform its contractual obligations.

Management through Similarly Managed "Model" Accounts

RSWA manages certain accounts through the use of similarly managed "model" portfolios, whereby the Firm allocates all or a portion of its clients' assets among various mutual funds and/or securities on a discretionary basis using one or more of its proprietary investment strategies. In managing assets through the use of models, the Firm remains in compliance with the safe harbor provisions of Rule 3a-4 of the Investment Company Act of 1940.

While the Firm seeks to ensure that clients' assets are managed in a manner consistent with their individual financial situations and investment objectives, use of a model portfolio could result in an above average portfolio turnover which could result in higher taxes and more transaction fees, which would reduce your portfolio return. Clients should consider contacting a tax attorney or CPA for advice prior to investing to determine the tax impact of their decisions. Clients should contact the Firm if they experience a change in their financial situation or if they want to impose reasonable restrictions on the management of their accounts.

Use of Independent Managers

The Firm may recommend the use of *Independent Managers* for certain clients. RSWA will continue to perform ongoing due diligence of such managers, but such recommendations rely, to a great extent, on the *Independent Managers* ability to successfully implement their investment strategy. In addition, the Firm does not have the ability to supervise the *Independent Managers* on a day-to-day basis other than as previously described in response to Item 4, above.

Exchange Funds

An exchange fund's diversification does not protect an investor from market risk, volatility, and does not ensure a profit. The possibility of partial or total loss of the exchange fund's capital exists. During the holding period, the security used for exchange may increase in value more than the exchange fund investment. Exchange funds are required to hold 20% of the portfolio in "qualifying assets" that are "non- stocks and securities" which carry risks that may affect the overall performance of the fund. Exchange fund investors may not have access to the full value of their investments for an extended time horizon. Potential investors should discuss any prospective investment in an exchange fund with their legal and tax advisers in order to make an independent determination of the suitability and consequences of such an investment. All offering documentation for exchange funds should be carefully read by investors to determine all risks of the investment.

Item 9. Disciplinary Information

RSWA is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management. RSWA does not have any required disclosures to this Item.

Item 10. Other Financial Industry Activities and Affiliations

The Firm is required to disclose any relationship or arrangement that is material to its advisory business or to its clients with certain related persons.

Referrals to Certified Public Accountants

The Firm does not render accounting or tax preparation services to its clients. However, the Firm recommends certain of its clients based in Maine to Anne Romano, a Certified Public Accountant and the wife of the Firm's member, David P. Robinson. The Firm and Ms. Romano also refer clients to each other. Ms. Romano shall render these services independently of the Firm, and the Firm does not receive any portion of the fees charged by Ms. Romano for the services rendered. The Firm receives an indirect benefit from this relationship by way of Ms. Romano's spousal relationship with Mr. Robinson. There is no requirement or expectation that clients of the Firm engage Ms. Romano for accounting, tax planning, tax return or other services.

Item 11. Code of Ethics

RSWA and persons associated with RSWA ("Associated Persons") are permitted to buy or sell securities

that it also recommends to clients consistent with RSWA's policies and procedures.

RSWA has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws ("*Code of Ethics*"). In accordance with Section 204A of the Investment Advisers Act of 1940 (the "Advisers Act"), its *Code of Ethics* contains written policies reasonably designed to prevent the unlawful use of material non-public information by RSWA or any of its associated persons. The *Code of Ethics* also requires that certain of RSWA's personnel (called "*Access Persons*") report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings.

When RSWA is purchasing or considering for purchase any security on behalf of a client, no *Access Person* may effect a transaction in that security prior to the completion of the purchase or until a decision has been made not to purchase such security. Similarly, when the Firm is selling or considering the sale of any security on behalf of a client, no *Access Person* may effect a transaction in that security prior to the completion of the sale or until a decision has been made not to sell such security. These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients and prospective clients may contact RSWA to request a copy of its *Code of Ethics*.

Item 12. Brokerage Practices

RSWA recommends that clients utilize the brokerage and clearing services of *Schwab* or SEI Private Trust Company ("*SPTC*") for investment management accounts. Factors which the Firm considers in recommending *Schwab*, *SPTC*, or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. *Schwab* and *SPTC* may enable the Firm to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by *Schwab* and *SPTC* may be higher or lower than those charged by other *Financial Institutions*.

The commissions paid by RSWA's clients comply with RSWA's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified *Financial Institution* might charge for the same transaction where RSWA determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a *Financial Institution's* services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. RSWA seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Transactions may be cleared through other *Financial Institutions* with whom RSWA and the *Financial Institutions* have entered into agreements for prime brokerage clearing services. RSWA periodically and systematically reviews its policies and procedures regarding its recommendation of *Financial Institutions* in light of its duty to obtain best execution.

The client may direct RSWA in writing to use a particular *Financial Institution* to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that *Financial Institution*, and RSWA will not seek better execution services or prices from other *Financial Institutions* or be able to "batch" client transactions for execution through other *Financial Institutions* with orders for other accounts managed by RSWA (as described below). As a result, the client

may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, RSWA may decline a client's request to direct brokerage if, in RSWA's sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

Transactions for each client will be effected independently, unless RSWA decides to purchase or sell the same securities for several clients at approximately the same time. RSWA may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among RSWA's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and allocated among RSWA's clients pro rata to the purchase and sale orders placed for each client on any given day. RSWA does not receive any additional compensation or remuneration as a result of the aggregation.

In the event that RSWA determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, RSWA may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Software and Support Provided by Financial Institutions

RSWA may receive from *Schwab* and *SPTC*, without cost to RSWA, computer software and related systems support, which allow RSWA to better monitor client accounts maintained at *Schwab* and *SPTC*. RSWA may receive the software and related support without cost because RSWA renders investment management services to clients that maintain assets at *Schwab* and *SPTC*. The software and related systems support may benefit RSWA, but not its clients directly. In fulfilling its duties to its clients, RSWA endeavors at all times to put the interests of its clients first. Clients should be aware, however, that RSWA's receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence RSWA's choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services.

Additionally, RSWA may receive the following benefits from *Schwab* and *SPTC*: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services *Schwab* or *SPTC* participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information.

Item 13. Review of Accounts

For those clients to whom the Firm provides investment management services, the Firm monitors those portfolios as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis. All investment advisory clients are advised that it remains their responsibility to advise the Firm of any changes in their investment objectives and/or financial situation. All financial planning clients (in person or via telephone) are encouraged to review financial planning issues, investment objectives and account performance with the Firm on an annual basis.

The Firm contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. Clients to whom RSWA provides investment management services may also receive a report that includes such relevant account and/or market-related information such as an inventory of account holdings and account performance on a quarterly basis. Clients should compare the account statements they receive from their custodian with those they receive from RSWA.

Item 14. Client Referrals and Other Compensation

RSWA does not receive economic benefits or compensation from any third parties for providing investment advice or other advisory services to clients. As mentioned in Item 12 above, RSWA does receive some benefits, in the form of research, when clients utilize our recommended broker-dealers. RSWA does not compensate persons for client referrals or receive compensation for referring clients to other providers.

Item 15. Custody

RSWA's Agreement and/or the separate agreement with any Financial Institution authorize RSWA, through such Financial Institution, to debit the client's account for the amount of RSWA's fee and to directly remit that management fee to RSWA in accordance with applicable custody rules. In limited circumstances, the Firm may bill clients directly. The Financial Institutions recommended by RSWA have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to RSWA. In, addition, as discussed in Item 13, RSWA also sends periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the Financial Institutions and compare them to those received from RSWA.

Item 16. Investment Discretion

RSWA has discretionary authority to effect transactions for the client without first having to seek the client's consent. RSWA is given this authority through a power-of-attorney included in the agreement between

RSWA and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). RSWA may take discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold;
- When transactions are made; and
- The *Independent Managers* to be hired or fired.

Item 17. Voting Client Securities

RSWA does not vote client securities on behalf of its clients. Clients receive proxies directly from the *Financial Institutions*.

Item 18. Financial Information

RSWA does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance. In addition, RSWA is required to disclose any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. RSWA has no disclosures pursuant to this Item.